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Memorandum for the Files

TO: DC/R

DATE: March 11, 1954

THROUGH: ARA - ~~Mr. Woodward~~
MID - Mr. Burrows

FROM: ARA/P - Stanley I. Grand

SUBJECT: Guatemalan Political Developments

Following is a summary of conversations with a person who has excellent contacts in the Guatemalan Government and newspaper circles. Mr. Raine of ARA/P participated in one of the conversations, Mr. Leddy of MID, participated in another, and the drafting officer was present at both these conversations and in addition conversed with source privately.

Source spoke quite openly to the Department officers concerning a wide range of political problems in Guatemala and, as will be seen later, because of his involvement in the political scene in Guatemala it is believed that his opinions and his evaluation are very reliable.

Source stated that it is his belief that the opposition in Guatemala will either have to move before the end of this calendar year or will find it impossible to move in the future. He stated that Arbenz needs the support of the Communists who control all the labor unions and as a consequence will do nothing to limit their power. He feels that any approaches to Arbenz will be a waste of time and points out that he has known Arbenz personally for many years, and as a long time friend has attempted repeatedly but unsuccessfully to sway Arbenz from his present path.

He stated that the Army was at the moment unable to overthrow the government even if it wanted to because it has less armament than the mass of Guatemalans. He pointed out that the government armed individual workers with a rifle at the time of previous uprisings, which arms had never been returned, and that since the Army has been unable to import military equipment it does not have as much arms as the worker squads which the Communists could put into the street and would therefore be unable to carry out successfully a revolution. He strongly urged that arms be made available to the Army. He stated categorically that if the

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Air Force were given five P-51's, the plans presently established for overthrowing the government could be successful. He said that the entire Air Force is violently anti-Communist, but at the moment there are only six military planes in Guatemala that can be flown by the Air Force and this number is insufficient to dominate the large areas outside the capital city.

He stated that he was a member of a new revolutionary group which is planning to overthrow the government. He said that this group is organized in a cell system which is designed to protect the group in the event individual members were captured by the police and tortured. He said, for example, that he himself did not know who the leader of the revolutionary group is, but in the event the leader was captured the apparatus is so designed that the number two man would automatically take over and so on down the line. He said that the present revolutionary group, which has individual arms and which he indicated was receiving more arms, possibly through El Salvador, had devised a plan which could result in their taking over the City of Guatemala on short notice. However, he stated that in the event this group went into action, the Indians would come in from outside the city and unless the Air Force were able to keep them out would make a revolutionary attempt unsuccessful. He pointed out, further, that the Army has only six tanks and that there are eight approaches to the city. Thus, there would be a need for more military equipment, not only to guard the approaches to the city but also to maintain control inside the city. He said that opposition groups were very hopeful that Col. Julian Fauntleroy, the "Black Eagle", would be able somehow to purchase additional arms for the armed forces. In all of his conversations, at least by inference, he urged the reconsideration of the United States ban on arm shipments to Guatemala, particularly air planes.

Source stated that the UNTL was of relatively little importance since its membership of about 3,000 Guatemalans consisted almost exclusively of unemployed workers; that it had no real following; and that its leaders were not sufficient to the task of doing serious damage to the CGTG.

Questioned about Foreign Minister Toriello and his plans, Source said that it was his opinion that Toriello was desirous of making a name for himself, and that he personally had no greater political ambition. However, it is Toriello's greatest desire to have his brother, Jorge Toriello, be the next president of Guatemala.

Source thought that the election of Marco Antonio FRANCO Chacon as president of the Guatemalan Congress was highly significant because of Franco's previous pro-Communist record. Source pointed out that

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under the Guatemalan Constitution if Arbenz should die, Franco would automatically become President of the country. He indicated that it was his belief that Franco might become President this year but also stated that there was no doubt that Gutierrez, who was elected First Secretary of the Congress, would be the next president of the Congress in the elections to be held on March 1, 1955. In this case, of course, Gutierrez would be in the immediate line of succession for the presidency.

Source said that he felt that after the Caracas Conference there would be radical changes in Guatemala. He predicted that restrictions against the press particularly would become very stringent. He stated that he was not fooled by the free press which now exists in Guatemala since he felt that this was a Communist maneuver to give respectibility. He also said that he had no doubt that in the event Guatemala was unable to stop the U.S. Resolution on Communist Intervention that Guatemala would withdraw from the OAS. In this connection, he reminded us of a speech which Gutierrez recently made in Guatemala at a workers meeting in which Gutierrez predicted that Guatemala would withdraw from the OAS if this agenda item was passed. He pointed out that the Communists had frequently tipped off future government actions of this nature.

Speaking of the United Fruit Company, source stated that the Communists in Guatemala did not want to throw out UNIFRUIT, the Empresa Electrica, and/or the IRCA, because they needed whipping boys to stir up public reaction against the United States.

Source stated that the opposition has taken to conducting a psychological campaign designed to terrorize the Communist leaders. Evidence of the success of this campaign, he said, was the fact that even though it is against the law, all of the pro-Government leaders in Congress and Government officials now wear armaments constantly, even in the Congress. He stated that the opposition group to which he belongs, following a recent incident in which one of the pro-Government deputies was shot, planted in the cars of other deputies and mailed to their homes little notes saying "You are next" and "Your number is coming up next". He indicated that these tactics will be continued since they have been proven to be very successful.

In connection with the recently announced "plot" against Guatemala, source said that the reaction to the plot charges was that these charges were invented by the Communists.

In addition to suggesting that the United States relent on its present arms embargo, source stated that the things that the opposition group needed most were: (1) assurance that in the event they overthrew the government, the de facto government which they would establish would be quickly recognized by the United States Government; (2) an intensification of U.S. psychological operations in Guatemala. He pointed out that

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the recent speech by Senator Wiley was one of the most effective moves made by the United States Government. He suggested that it might be worthwhile to have prominent U.S. businessmen discuss publically the possibility of economic sanctions against Guatemala. He stated that while such sanctions would not, of course, be applied, the discussion of them by important U.S. businessmen would be reported in the Guatemalan free press and would contribute to the fear and uncertainty of the present regime. He stated at one point in a discussion that if the United States did pass an embargo on gasoline shipments for a period of two weeks this would, he felt, be sufficient to allow his group to take over the government. Parenthetically, it must be stated, however, that Source obviously does not realize the effect which such an economic boycott would have elsewhere in the Hemisphere.

Source also urged that the United States Government information services be expanded. He pointed out that pro-Communist cultural programs were carried on the radio stations locally and that the United States, which formerly had programs of a cultural nature on the air locally, no longer had such programs. He thought that this was a serious loss. He also urged that the U.S. Government press and motion picture operations be increased and that some way be worked out to bring young Guatemalans of the undergraduate level to the United States for study. He pointed out that these students are the future leaders of the country and that it was essential that we indoctrinate them in democratic ways, especially since the Russians were attracting many of them by means of trips beyond the Iron Curtain.

In connection with trips behind the Iron Curtain, such as those of Fortuny and Gutierrez, he stated that he knew personally that in every single case the passage was paid for by the Guatemalan Foreign Ministry. I questioned him rather closely on this point and he said that the Guatemalan Ministry bought the tickets through Cooks Agency and paid for them out of official Government funds, and that the Soviets merely paid for their expenses while they were behind the Iron Curtain. (It is the drafting officer's opinion that this is highly significant and merits further investigation since, if it could be established, it might provide incontrovertible proof of official Government subsidization of international Communist activity, as well as the utilization of Government funds as a part of the Communist apparatus).

Source said that great efforts were being made to indoctrinate school children and to decry the role of religion. He pointed out that the Comedores de los Niños, that were supported by the Government (and in whose activities Señora Arbenz has been particularly active) had

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initiated a policy of proselytizing the children with a view to destroying their faith in religion. He said, for example, that the children were told to close their eyes and pray to God for bread. Then they were told to open their eyes and, of course, there was no bread in front of them. Then they were told to pray to the Government for bread, when they opened their eyes a piece of bread was in front of them. He cited other instances where this same kind of technique was used in other schools and stated that the Government was using every means at its disposal to undercut the power of the church in Guatemala.

Source also commented on the absence of commercial American movies, pointing out that Russian movies were now being exhibited commercially. He said this was unfortunate since these movies helped spread the Commie line.

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Cleared with ARA/P - Mr. Raine
MID - Mr. Leddy